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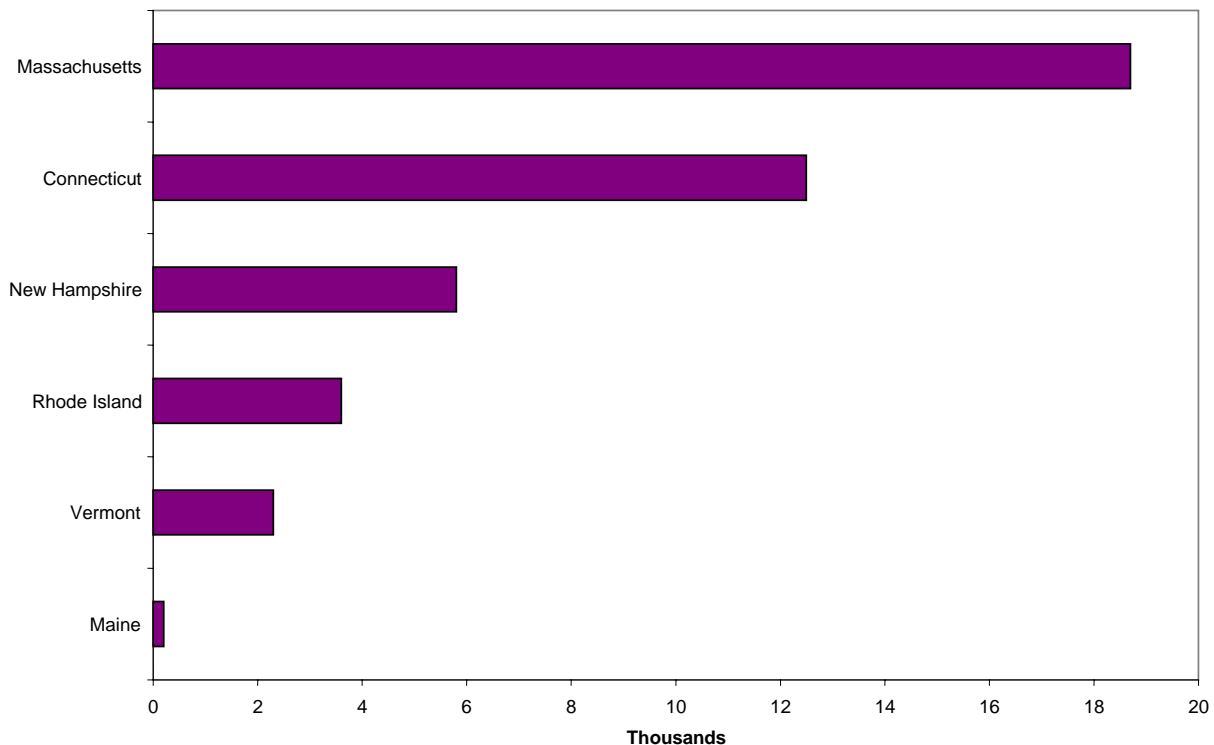
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Massachusetts and Connecticut Lead New England Job Growth in 2005

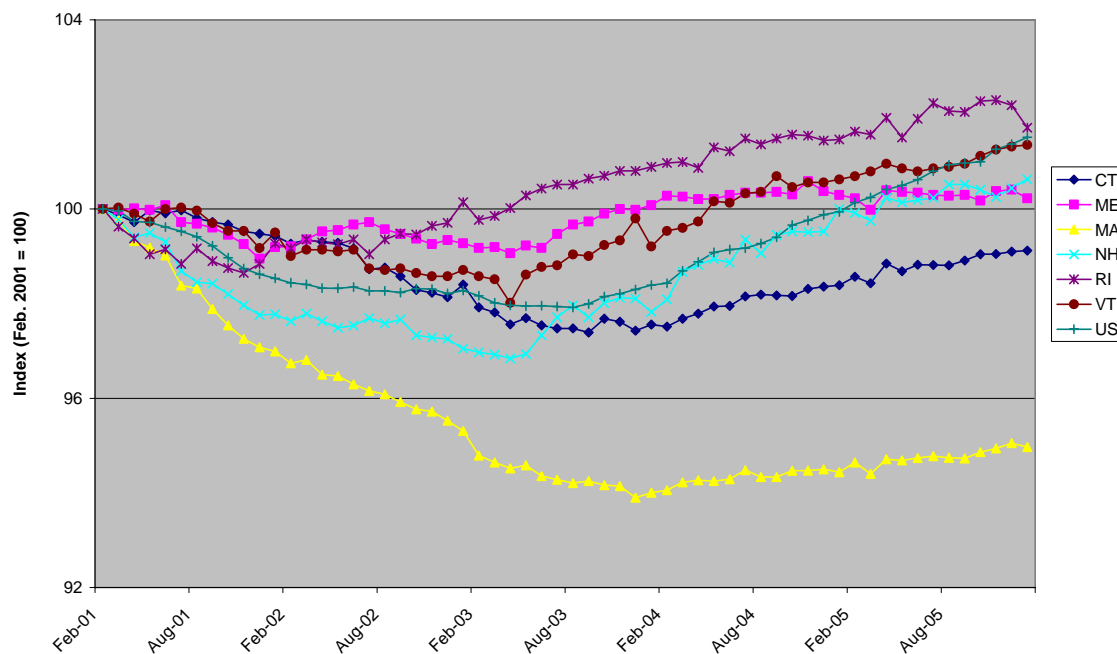
In 2005, all six New England states added to their nonfarm job totals, led by Massachusetts and Connecticut which grew by 18,700 and 12,500, respectively, over the year. (See chart 1.) Regional Commissioner Denis M. McSweeney noted that this was the second consecutive year that all six New England states recorded job growth. New Hampshire added 5,800 jobs, followed by Rhode Island and Vermont, adding 3,600 and 2,300, respectively. Maine's nonfarm employment was little changed over the same period. All six New England states failed to keep pace with the national growth rate of 1.5 percent.

Chart 1. Over-the-year change in employment, six New England states, December 2005



Despite Massachusetts' job growth over the year, its employment level remained 169,700 or 5.0 percent below its peak level of 3,372,900 reached in February 2001. This also marked the peak of national total nonfarm employment (See chart 2.) In December 2005, Connecticut's employment level was also below its prior peak by 31,300 or 1.8 percent. In contrast, the recoveries in the four remaining New England states pushed their job counts above pre-recession levels.

Chart 2. Indexes of employment, six New England States and United States, February 2001 - December 2005



Industry Employment

Among the major industry divisions, job growth in professional and business services and educational and health services has driven total employment growth across the New England states in 2005. Conversely, each state recorded job losses in manufacturing over the year. Educational and health services led job growth across all industries in each of the six New England states since December 2001, a month after the end of the last national recession. Over this period, however, manufacturing employment continued to decline, virtually uninterrupted, recording the largest job losses of any industry division within each New England state.

In Massachusetts, professional and business services experienced the largest over-the-year employment increase in December 2005, adding 8,900 jobs, followed closely by educational and health services with the addition of 8,200 jobs. Since the end of the last recession, job growth was strongest in educational and health services, up 31,800 or 5.7 percent. Over the year, financial activities and construction recorded increases of 3,900 and 3,600, respectively. In contrast, the manufacturing sector lost 5,300 jobs since December 2004. This sector has experienced the greatest job losses since the end of the last recession, shedding 61,500 or 16.8 percent.

In Connecticut, government led job growth over the year (4,300), followed closely by professional and business services (3,100), and educational and health services and trade, transportation, and utilities, (2,700 each). In contrast, manufacturing posted the greatest losses over the year (-2,700). As reported in each of the other New England states, educational and health services (16,400) recorded the greatest increase in

Connecticut since the end of the last recession. Connecticut was similar to the other New England states, with manufacturing recording the largest decline, down 24,700 or 11.3 percent over the same period.

Educational and health services led job growth over the year in New Hampshire, posting an increase of 3.4 percent or 3,300 jobs. Financial activities and professional and business services recorded gains of 1,800 each. Employment in trade, transportation, and utilities (1,100) and construction (1,000) rose over the year. In New Hampshire, government posted the largest decline, down 1,900 from December 2004, followed closely by manufacturing which lost 1,600 jobs. Since the end of the last recession, educational and health services added the most jobs (8,200). The manufacturing industry recorded the greatest losses in New Hampshire over this period, decreasing by 10,800 jobs or 12.1 percent.

In Rhode Island, educational and health services again led job growth with a gain of 2,400 jobs over the year. Professional and business services and financial activities also contributed to job growth, up 1,800 and 1,200, respectively. The educational and health services sector has led the recovery since the end of the last recession adding 10,300 jobs. Conversely, manufacturing posted job losses totaling 2,300 over the year and over the recovery period, posted the largest decline of any sector (-10,400).

The largest growth industry over the year in both Vermont and Maine was educational and health services which added 1,300 and 1,200 jobs, respectively. Employment in this industry accelerated at the fastest pace of any sector since the end of the recession, with an increase of 5,500 or 11.2 percent in Vermont and an increase of 10,200 or 10.0 percent in Maine. Conversely, the manufacturing sector within each state posted the largest job losses over the year. However, the manufacturing employment decline in Maine was more pronounced with a 4.6 percent decrease or a loss of 2,900 jobs, compared with a 0.8 percent decrease or a loss of 300 jobs in Vermont. Since the end of the last recession, the manufacturing sector in both states recorded the largest losses among industries, down 10,400 or 14.8 percent in Maine and down 6,800 or 15.6 percent in Vermont.

Technical Note

This release presents nonfarm payroll employment estimates from the Current Employment Statistics (CES) program for the six New England states. The CES program is a Federal-State cooperative endeavor.

Employment

Definitions. Employment data refer to persons on establishment payrolls who receive pay for any part of the pay period which includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll. Industries are classified on the basis of their principal activity in accordance with the 2002 version of the North American Industry Classification System.

Method of estimation. The employment data are estimated using a "link relative" technique in which a ratio (link relative) of current-month employment to that of the previous month is computed from a sample of establishments reporting for both months. The estimates of employment for the current month are obtained by multiplying the estimates for the previous month by these ratios. Small-domain models are used as the official estimators for the approximately 10 percent of CES published series.

Annual revisions. Employment estimates are adjusted annually to a complete count of jobs, called benchmarks, derived principally from tax reports which are submitted by employers who are covered under state unemployment insurance (UI) laws. The benchmark information is used to adjust the monthly estimates between the new benchmark and the preceding one and also to establish the level of employment for the new benchmark month. Thus, the benchmarking process establishes the level of employment, and the sample is used to measure the month-to-month changes in the level for the subsequent months.

Reliability of the estimates

The estimates presented in this release are based on sample survey and administrative data and thus are subject to sampling and other types of errors. Sampling error is a measure of sampling variability--that is, variation that occurs by chance because a sample rather than the entire population is surveyed. Survey data are also subject to nonsampling errors, such as those which can be introduced into the data collection and processing operations. Estimates not directly derived from sample surveys are subject to additional errors resulting from the special estimation processes used. The sums of individual items may not always equal the totals shown in the same tables because of rounding.

Employment estimates. Measures of sampling error for state CES data at the NAICS supersector level became available during 2005, and the Bureau's press release of payroll employment estimates for all 50 states now incorporates statistical significance in the data analysis. For many of the New England states, however, over-the-month changes rarely meet rigorous statistical criteria. Consequently, in order to describe over-the-month and over-the-year changes, less formal methods of analysis were used. Information on recent benchmark revisions and sampling errors for states are available on the BLS Web site at (<http://www.bls.gov/sae/>).

Area definitions. The substate area data published in this release reflect the standards and definitions established by the U.S. Office of Management and Budget, dated February 18, 2004. A detailed list of the geographic definitions is published annually in the May issue of Employment and Earnings.

Additional information

More complete information on the technical procedures used to develop these estimates and additional data appear in Employment and Earnings, which is available by subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (telephone 202-512-1800).

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.

Table 1. Employees on nonfarm payrolls by industry, states in New England, seasonally adjusted
(Numbers in thousands)

						Change from Dec. 2004 to Dec. 2005		Change from Dec. 2001 to Dec. 2005	
	2001 Dec.	2002 Dec.	2003 Dec.	2004 Dec.	2005 Dec.	Number	Percent	Number	Percent
Connecticut									
Total	1674.9	1652.3	1640.4	1656.1	1668.6	12.5	0.8	-6.3	-0.4
Construction	64.8	61.1	63.2	67.0	66.4	-0.6	-0.9	1.6	2.5
Manufacturing	218.7	205.2	197.3	196.7	194.0	-2.7	-1.4	-24.7	-11.3
Trade, transportation, and utilities	310.6	306.5	304.4	310.2	312.9	2.7	0.9	2.3	0.7
Information	42.8	39.6	39.1	38.5	38.0	-0.5	-1.3	-4.8	-11.2
Financial activities	142.8	142.7	141.7	140.8	143.0	2.2	1.6	0.2	0.1
Professional and business services	205.2	199.0	196.4	197.8	200.9	3.1	1.6	-4.3	-2.1
Educational and health services	256.8	262.7	266.0	270.5	273.2	2.7	1.0	16.4	6.4
Leisure and hospitality	120.2	123.4	126.5	128.5	129.6	1.1	0.9	9.4	7.8
Other services	62.6	62.6	62.2	62.5	62.7	0.2	0.3	0.1	0.2
Government	249.7	248.7	242.9	242.9	247.2	4.3	1.8	-2.5	-1.0
Maine									
Total	603.4	605.8	609.7	612.1	612.3	0.2	0.0	8.9	1.5
Natural resources and mining	2.6	2.6	2.5	2.7	2.8	0.1	3.7	0.2	7.7
Construction	29.5	30.0	30.8	30.4	30.9	0.5	1.6	1.4	4.7
Manufacturing	70.2	66.2	63.7	62.7	59.8	-2.9	-4.6	-10.4	-14.8
Trade, transportation, and utilities	122.6	122.0	123.9	125.9	126.1	0.2	0.2	3.5	2.9
Financial activities	35.4	35.3	35.2	34.3	33.8	-0.5	-1.5	-1.6	-4.5
Professional and business services	50.8	51.2	49.8	49.6	50.5	0.9	1.8	-0.3	-0.6
Educational and health services	102.5	105.9	109.3	111.5	112.7	1.2	1.1	10.2	10.0
Leisure and hospitality	55.1	57.7	58.9	59.2	59.5	0.3	0.5	4.4	8.0
Government	103.1	103.4	104.2	104.6	105.4	0.8	0.8	2.3	2.2
Massachusetts									
Total	3274.3	3222.1	3167.1	3187.3	3206.0	18.7	0.6	-68.3	-2.1
Natural resources and mining	1.6	1.7	1.9	2.0	1.8	-0.2	-10.0	0.2	12.5
Construction	140.3	139.6	136.0	139.3	142.9	3.6	2.6	2.6	1.9
Manufacturing	365.9	338.3	314.7	309.7	304.4	-5.3	-1.7	-61.5	-16.8
Trade, transportation, and utilities	582.6	575.5	571.1	570.9	570.0	-0.9	-0.2	-12.6	-2.2
Information	104.3	96.4	88.7	87.1	87.4	0.3	0.3	-16.9	-16.2
Financial activities	229.7	225.8	221.2	218.3	222.2	3.9	1.8	-7.5	-3.3
Professional and business services	463.8	446.9	442.4	456.2	465.1	8.9	2.0	1.3	0.3
Educational and health services	561.0	574.0	577.7	584.6	592.8	8.2	1.4	31.8	5.7
Leisure and hospitality	278.0	288.8	288.0	291.8	290.8	-1.0	-0.3	12.8	4.6
Other services	116.7	117.5	116.8	117.0	118.0	1.0	0.9	1.3	1.1
Government	430.4	417.6	408.6	410.4	410.6	0.2	0.0	-19.8	-4.6
New Hampshire									
Total	619.6	616.4	621.8	630.8	636.6	5.8	0.9	17.0	2.7
Construction	28.1	28.0	29.4	29.1	30.1	1.0	3.4	2.0	7.1
Manufacturing	89.1	82.9	79.8	79.9	78.3	-1.6	-2.0	-10.8	-12.1
Trade, transportation, and utilities	136.5	138.1	138.4	139.5	140.6	1.1	0.8	4.1	3.0
Information	13.2	12.4	12.2	12.7	12.8	0.1	0.8	-0.4	-3.0
Financial activities	36.3	36.8	36.8	38.1	39.9	1.8	4.7	3.6	9.9
Professional and business services	54.9	53.7	55.8	58.3	60.1	1.8	3.1	5.2	9.5
Educational and health services	91.0	91.9	94.0	95.9	99.2	3.3	3.4	8.2	9.0
Leisure and hospitality	59.5	61.3	62.6	64.2	64.6	0.4	0.6	5.1	8.6
Other services	22.4	20.7	20.8	21.2	21.0	-0.2	-0.9	-1.4	-6.3
Government	87.6	89.7	91.1	90.9	89.0	-1.9	-2.1	1.4	1.6
Rhode Island									
Total	476.8	481.0	486.3	489.4	493.0	3.6	0.7	16.2	3.4
Construction	19.4	19.3	21.3	21.4	22.6	1.2	5.6	3.2	16.5
Manufacturing	64.5	60.5	57.4	56.4	54.1	-2.3	-4.1	-10.4	-16.1
Trade, transportation, and utilities	79.0	81.0	80.9	79.8	79.5	-0.3	-0.4	0.5	0.6
Financial activities	32.2	33.4	34.0	34.0	35.2	1.2	3.5	3.0	9.3
Professional and business services	50.0	48.3	51.6	54.3	56.1	1.8	3.3	6.1	12.2
Educational and health services	85.9	90.1	91.6	93.8	96.2	2.4	2.6	10.3	12.0
Leisure and hospitality	46.8	47.8	49.3	50.6	50.5	-0.1	-0.2	3.7	7.9
Other services	21.4	22.5	23.3	23.4	22.9	-0.5	-2.1	1.5	7.0
Government	65.9	66.3	65.7	64.6	64.8	0.2	0.3	-1.1	-1.7
Vermont									
Total	300.1	298.3	302.0	304.3	306.6	2.3	0.8	6.5	2.2
Construction	15.4	14.6	16.2	16.6	16.8	0.2	1.2	1.4	9.1
Manufacturing	43.6	38.5	36.7	37.1	36.8	-0.3	-0.8	-6.8	-15.6
Trade, transportation, and utilities	58.9	58.3	58.9	59.2	59.7	0.5	0.8	0.8	1.4
Financial activities	13.2	13.1	13.4	13.3	13.3	0.0	0.0	0.1	0.8
Professional and business services	20.1	20.3	20.7	21.8	22.0	0.2	0.9	1.9	9.5
Educational and health services	49.1	50.9	52.7	53.3	54.6	1.3	2.4	5.5	11.2
Leisure and hospitality	30.9	33.8	33.1	32.9	32.9	0.0	0.0	2.0	6.5
Other services	10.0	10.2	10.3	10.0	9.9	-0.1	-1.0	-0.1	-1.0
Government	50.7	50.5	52.2	52.7	53.0	0.3	0.6	2.3	4.5

NOTE: Data are counts of jobs by place of work. Data have been revised to reflect 2005 benchmarks and updated seasonal adjustment factors. Seasonally adjusted data from January 2001 for most states are subject to revision. Estimates subsequent to the current benchmark are provisional and will be revised when new information becomes available. 'Total' can include industries not shown separately. The industries shown meet Bureau standards for seasonal adjustment.